

# California Department of Corrections Financial Information Memo

**SUBJECT:**

GIFTS AND DONATIONS

**FIM NUMBER:****2003-13****REFERENCES:****DATE: Nov. 13, 2003**

Government Code: §§ 11005, 11005.1, 11005.2, 14660, 16302 and 19990.

Penal Code: § 5057.5.

State Administrative Manual §§ 8602, 8614, 8634, 8650, 18476 and 19440.

California Code of Regulations, Title 15, Sections 3409 and 3413.

Department Operations Manual, Article 7

**DISTRIBUTION**

Executive Staff

Regional Institution Administrators

Regional Parole Administrators

Wardens

Associate Wardens, Business Services

Office of Community Resources

**PURPOSE**

This Financial Information Memo (FIM) provides directions for accepting gifts and donations to the California Department of Corrections (CDC), and appropriate procedures for processing and accounting for accepted gifts and donations.

Also, this FIM reminds all CDC employees that, pursuant to Title 15, Subchapter 5, Article 2, Section 3409, employees must not solicit, accept or receive directly or indirectly, any fee, commission, gratuity or gift from any person or business organization doing or seeking to do business with the State. No officer or employee of CDC may, for private gain, accept or receive money or other compensation from anyone other than the State for the performance of his or her State duties. Organizations or entities (such as Employee Organizations or non-approved inmate activity groups) that are not part of the Department's direct programs may not receive donations as a condition of any service provided or received.

**DISCUSSION**

The Government Code provides statutory provisions for acceptance of gifts of personal property, real property or monetary (cash) gifts for the benefit of a fund or appropriation. The Department Operations Manual (DOM), Chapter 2, Article 7, revised March 11, 2003, provides that CDC shall accept gifts or donations only when it is in the Department's best interest and is consistent with current statutes, laws and regulations. Only those gifts or donations that supplement the Department's budget or provide cost avoidance to the taxpayer, without incurring any future expenditure related to the gift or donation shall be accepted.

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Property acquired through gift or donation shall become property of the State, and must be recorded in the appropriate property ledgers. Gifts and donations of property should be used exclusively for the purpose for which they were originally donated.

When designated for the benefit of a fund or appropriation, a cash gift or donation shall be credited accordingly. When a purpose is designated, but not a fund or appropriation, a cash gift must be deposited in special purpose trust account. A cash gift not designated for a purpose or for any specific fund or appropriation shall be credited to the State School Fund.

Cash gifts or donations that must be deposited to a special purpose trust require expenditure of State funds for the establishment, operation and accounting of the special purpose trust account. These donations require Department of Finance approval prior to establishing the special purpose trust, depositing the funds and using them.

### **ACTION REQUIRED**

These procedures apply to all donations, gifts or gratuities, received by Department employees from any source. Please insure the responsible staff receive these procedures. Attachment 1 lists the steps for cash gifts/donations, and Attachment 2 lists the steps for gifts/donations of property. Attachment 3 identifies the process for establishing a Special Deposit Account.

If you have further questions regarding this FIM, please contact Paul Thatcher, Chief, Accounting Policy and Procedures Section at (916) 322-6051.

Original Signed by Wendy Still

WENDY STILL  
Deputy Director  
Financial Services Division

### Attachments

cc: William Dougherty, Chief, Accounting Management Branch  
Timothy Gilpin, Regional Accounting-South  
Carol Gardemal, Regional Accounting-North  
Paul Thatcher, Accounting Policies and Procedures Section

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Gifts and Donations  
Attachment 1

## PROCESSING STEPS FOR CASH GIFTS OR DONATIONS

Step	Responsibility
Complete CDC 922 - Authorization to Accept Gifts/Donations. Forward receipts and CDC 922 copy to appropriate Accounting Office.	Receiving Program Manager, or Community Resources Manager (CRM), Institution
Hold receipts in Uncleared Collections pending all approvals.	Accounting Office
Approve gift/donation on CDC 922.	Chief, Office of Community Resources (OCR), and Warden/Regional Administrator, and Coordinator of Financial Resources, and Director
Forward approved CDC 922 to Financial Services Division.	Community Resources Manager (CRM), OCR
Forward approved CDC 922 to Department of Finance (DOF) for approval. Forward copy of DOF-approved CDC 922 to appropriate Accounting Office and CRM.	Financial Services Division
Acknowledge receipt of approved donations to donor. Return unapproved donations.	Community Resources Manager
Request a Special Deposit Fund account on form AUD 10 from DOF/SCO. Establish account in Department accounting system upon approval from DOF/SCO. Advise Program Manager that account is established. Deposit gifts/donations, process appropriate expenditure requests, complete reports. Forward undesignated donations to the State Schools Fund.	Accounting Office

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Gifts and Donations  
Attachment 2

## PROCESSING STEPS FOR PROPERTY GIFTS OR DONATIONS

Step	Responsibility
Complete CDC 922 - Authorization to Accept Gifts/Donations.	Receiving Program Manager, or Community Resources Manager
Approve gift/donation on CDC 922.	Warden/Regional Administrator, or Director
Forward approved CDC 922 to Accounting Office	Community Resources Manager
Verify donated vehicle(s) has been approved by Department of General Services (DGS), Fleet Administration Representative. Attach the inspected approval document to CDC 922.	Community Resources Manager
Monitor food donations for food safety and procurement standards.	Food Manager
Keep inventory records for nondisposable property received as gift/donation.	Procurement Officer
Record property in Fixed Asset accounts, if applicable.	Accounting Office
Acknowledge receipt of approved donations. Return unapproved donations.	Community Resources Manager
Dispose of and/or survey property at end of useful life. Forward survey to Accounting Office	Program Manager, and/or Procurement Officer
Remove property from Fixed Asset records, if applicable.	Accounting Office

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Gifts and Donations  
Attachment 3

## ESTABLISHING A SPECIAL DEPOSIT ACCOUNT FOR CASH GIFTS AND DONATIONS

Using information from the CDC 922 and any attached documentation, prepare an AUD 10 Request to State Controller to Establish or Amend Special Deposit Fund Account. The form is available on line at [www.sco.ca.gov/ard/state/aud10.pdf](http://www.sco.ca.gov/ard/state/aud10.pdf). Complete the following sections as discussed:

- **Proposed Account Title:** Use a short but descriptive title to identify the account.
- **Source of Monies:** Private donations, or similar descriptive information.
- **Purpose of Account:** This section will limit the use of these funds to the use identified here. Be specific according to the purpose cited by the donor.
- **Period of Availability:** If known, enter a specific date range. If unknown, state “until closed”, or similar language.
- **Department:** Enter the title of your Organization Code.
- **Organization Code:** Enter your organization Code number.
- **Contact Person:** Name of staff who will account for this account.
- **Title:** Title of staff who will account for this account.
- **Signed:** Authorized Accounting Officer.
- **Date:** Date signed.

Sections not discussed above may be left blank.

Submit the completed AUD 10 to the Department of Finance, Fiscal Systems and Consulting Unit (FSCU). After approving, the FSCU will forward the AUD 10 to the State Controller’s Office (SCO) to establish the account.

When the SCO has established the account, they will return the completed AUD 10 with account information added to the appropriate Accounting Office. At this time, the Accounting Office can request Fund Detail, Program Cost Account and Appropriation Symbol codes from the Accounting Policies and Procedures Section.